

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK
RATIONALIZATION SERVICE CHANGES, 2011

DOCKET NO. N2012-1

**STATUS REPORT ON UNITED STATES POSTAL SERVICE RESPONSE TO
INTERROGATORY OF THE AMERICAN POSTAL WORKERS UNION, AFL-
CIO (APWU/USPS-38)**
(July 3, 2012)

On April 6, 2012, the American Postal Workers Union, AFL-CIO (APWU) submitted interrogatory APWU/USPS-38 to the Postal Service. The interrogatory is set forth below:

APWU/USPS-38. We are aware that the Postal Service assigns \$999.00 as the cost of the administration of HCR contracts when it is proving the APWU with comparisons of PVS cost and HCR cost for purposes of administering the APWU/USPS National Agreement.

- a) Does the Postal Service consider \$999.00 an accurate measurement of the cost of administering an HCR contract?
- b) If the answer to a) is an unqualified yes, explain the cost components of the \$999.00 and explain how that number has been calculated.
- c) If the answer to a) above is anything but an unqualified yes, please list the relevant types of costs that are associated with the administration of HCR contracts and indicate whether or not they already are in LDC 30 and LDC 31.
- d) Please list and itemize the types of overhead costs that are assigned as costs in determining the cost of PVS routes.
- e) Please list and itemize the types of overhead costs that are assigned as costs in determining the cost of HCR routes.

Responsible subject-matter experts are diligently working on a response to this interrogatory. We anticipate providing a response to this interrogatory by July 9, 2012.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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